



# The Pace of Transformation: What Dealers and Auto Buyers Are Telling Us Today

Key Facts + Findings from the 2025 Urban Science Harris Poll Study



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**The Harris Poll**  
Harris Insights & Analytics LLC, A Stagwell Company

# The Pace of Transformation: What Dealers and Auto Buyers Are Telling Us Today

## Key Facts + Findings from the 2025 Urban Science Harris Poll Study

**The road ahead looks smoother** — and, for many dealers, more hopeful. Optimism is building in the dealer space, fueled by clearer strategies, smarter tools and renewed economic confidence. Compared to last year, a larger portion of dealers say the path to growth feels easier than it did five years ago, a shift that suggests greater conviction in both market conditions and dealers' ability to respond to them.

For the fourth consecutive year, Urban Science, in collaboration with The Harris Poll, surveyed 3,026 U.S. auto buyers who currently own or lease a vehicle or plan to do so in the next 12 months, along with 254 U.S. original equipment manufacturer (OEM) automotive dealers.

Because the study was primarily fielded in January 2025, before many of the new administration's policy changes were announced, Urban Science also commissioned a follow-up study to assess how auto-buyer perceptions have evolved in the months since.

One of the most striking findings from this year's research is the **growing gap between dealers' perceived momentum and auto buyers' hesitation**, especially around emerging technologies. Dealers are charging ahead on electric vehicles (EVs), buoyed by automaker commitments and promising revenue trends. However, auto buyers remain cautious, with only a fraction saying EVs meet their current needs.

Artificial intelligence (AI) offers a similar example. Dealers are embracing AI to streamline sales, marketing, operations and customer engagement efforts. They point to improved efficiency, enhanced customer satisfaction and revenue growth as early returns on investment. Yet, on the auto buyer side, trust in AI's role in the shopping journey has declined. While auto buyers once viewed the technology as a helpful aide for research and planning, their enthusiasm seems to have waned.

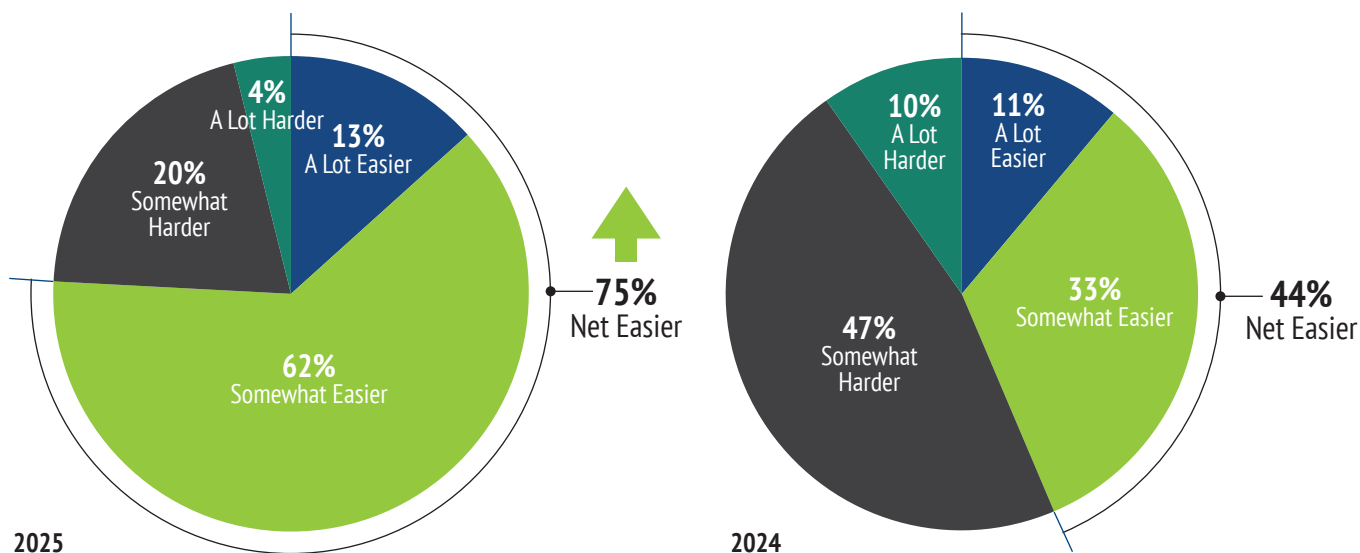
At the same time, affordability remains a top concern. Worries about gas prices and the broader economy have eased since 2024, but the cost of owning a vehicle — insurance, service and financing — continues to weigh heavily on auto buyers.

**Still, there are clear paths forward.** Auto buyers may be increasingly wary of AI, but they remain comfortable sharing their data with the right incentives in place. And while they may not be convinced about going all-electric, the data suggests hybrid models could serve as a practical stepping stone.

Throughout this report, we unpack the nuance behind these trends — from how dealers are adapting to market disruptors to where auto buyers are signaling a need for a better experience. Whether through new technology, advanced media strategies or sharper business intelligence, one thing is certain: **transformation isn't just possible — it's already underway.**

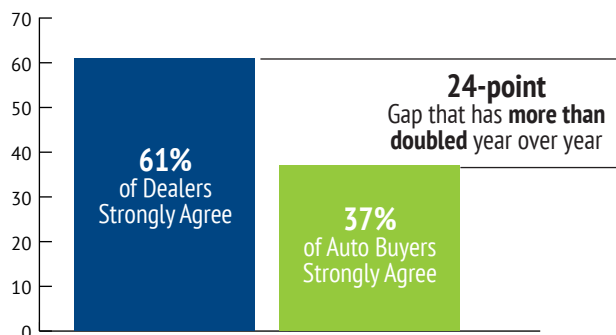


COMPARED TO FIVE YEARS AGO, DEALERS FEEL THEIR PATH TO FUTURE GROWTH IS EASIER.

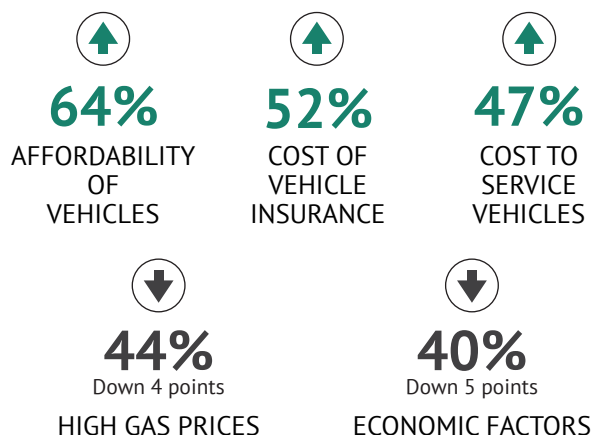


PERCEPTION GAP IN THE TRADITIONAL DEALERSHIP MODEL

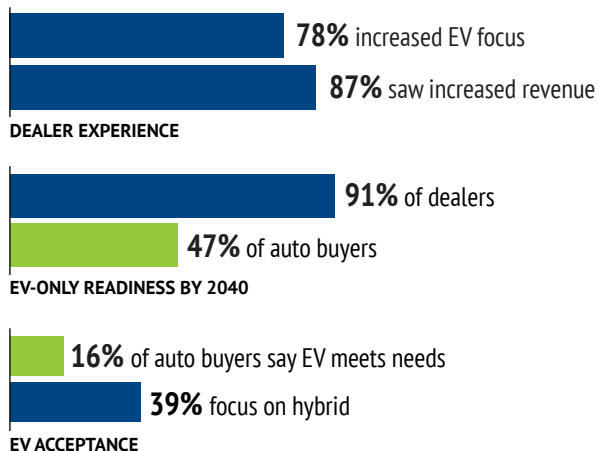
Dealers and auto buyers are increasingly divided on whether the traditional dealership model—where sales, service, spare parts and body/paint shops operate under one roof—is optimized for the future.



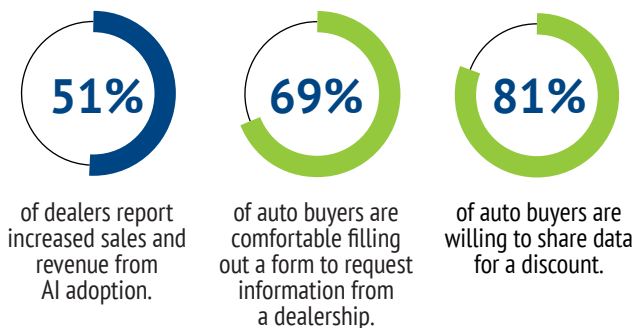
AUTO BUYERS' BIGGEST VEHICLE PURCHASING/LEASING CONCERNS TODAY



DEALER ENTHUSIASM FOR EVS OUTPACES CONSUMER READINESS



DEALERS LEAN INTO AI; CONSUMERS CRAVE PERSONALIZATION



# Affordability Tops Dealer and Auto-Buyer Concerns

Even before the Trump administration's tariff announcements and negotiations began, affordability was a leading concern for both auto buyers and dealers. At the time of the Q1 study (January 10 to February 4, 2025), two-thirds (64%) of auto buyers and 40% of dealers cited it as their biggest worry. This sentiment appeared to have softened somewhat among auto buyers in the Q2 study (May 8 to 12, 2025). While affordability still ranked highest, it had fallen to 56%, suggesting a slight uptick in buyer confidence.

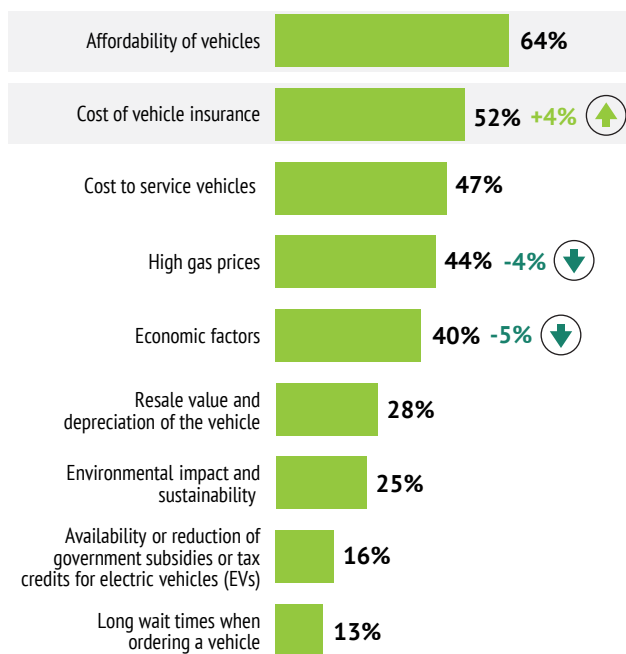
Other cost-related concerns were also prominent. Vehicle insurance ranked highly across auto buyer segments, along with concerns over service and maintenance expenses. However, some anxieties have eased year over year. While economic factors remained

a top concern for 40% of dealers, this marks a nine-point decrease from 2024. Among auto buyers, concern about the economy fell five points to 40%, ranking fifth overall. Concern over gas prices also dropped: to 24% for dealers (down 15 points) and 44% for auto buyers (down four points).

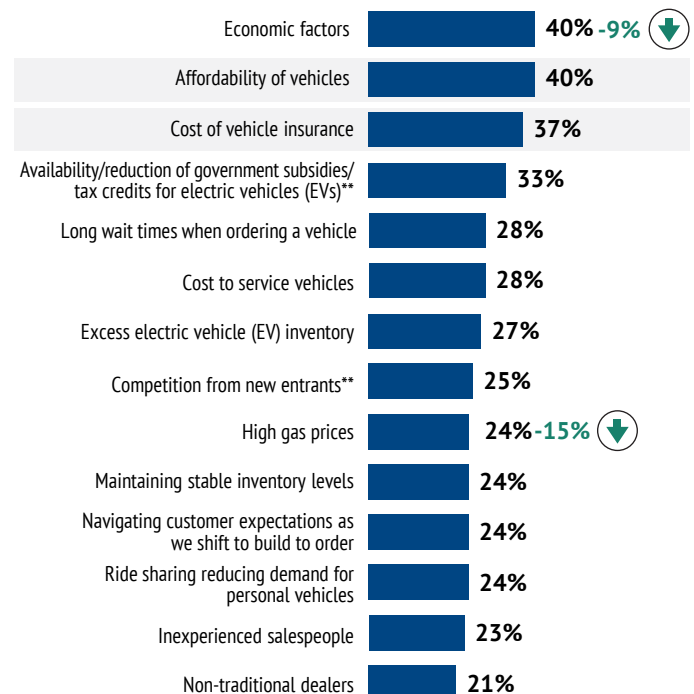
Electric vehicle (EV) policy and tax credits represent another area of tension, especially for dealers. As the administration weighs changes to EV incentives, dealers are watching closely, with 33% calling it a top concern. Despite broad awareness among auto buyers, the topic ranks lower on their list of priorities. That said, data from Urban Science's follow-up study suggests these pressures are starting to take their toll on auto-buyer behavior, too.

## TOP PURCHASING/LEASING CONCERNS AMONG AUTO BUYERS; BIGGEST SELLING CONCERNS AMONG DEALERS

### Auto Buyers' Biggest Vehicle Purchasing/Leasing Concerns Today



### Dealers' Biggest Vehicle Selling Concerns Today





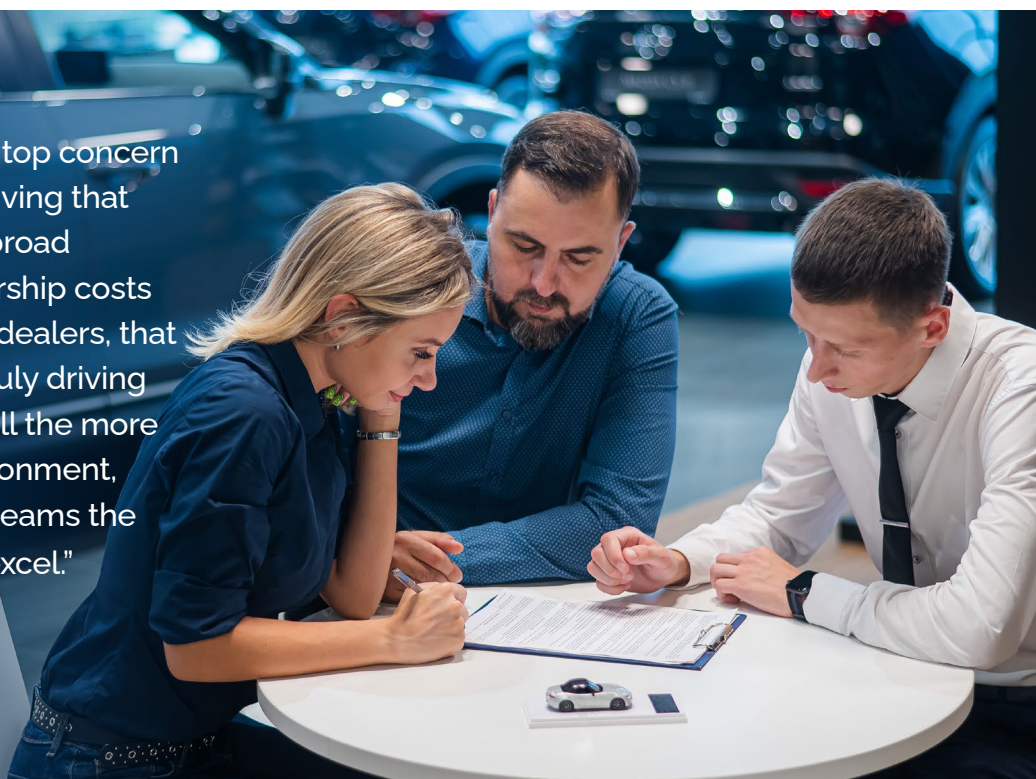
## AGE-BASED BREAKDOWN AMONG AUTO BUYERS

Auto Buyers' Biggest Vehicle Purchasing/Leasing Concerns Today	Vehicle Owner Type				Generation			
	Gasoline-fueled Owners	Hybrid Electric Owners	Plug-in Hybrid Electric Owners	Battery Electric Owners	Gen Z (18-27)	Millennials (28-43)	Gen X (44-59)	Boomers (60-78)
Affordability of vehicles	1	1	2	1	3	1	1	1
Cost of vehicle insurance	2	4	6	2	1	2	2	2
Cost to service vehicles	3	2	4	4	4	3	2	3
High gas prices	4	6	3	3	2	4	4	4
Economic factors	5	5	1	7	5	5	5	5
Resale value and depreciation of the vehicle	6	7	8	9	7	6	6	6
Environmental impact and sustainability	7	3	5	5	6	7	7	7
Availability or reduction of government subsidies	8	8	6	6	8	8	8	9
Long wait times when ordering a vehicle	9	9	9	8	9	9	9	8



"Affordability continues to be a top concern across the board, but what's driving that concern is expanding — from broad economic uncertainty to ownership costs like insurance and service. For dealers, that makes understanding what's truly driving lost leads at the local level — all the more important. In a tight sales environment, visibility of lost leads can give teams the edge they need to adapt and excel."

— ERIC DEMONT, GLOBAL PRODUCT DIRECTOR



### Solution Spotlight

In a market where affordability concerns are impacting every stage of the purchase journey, dealers need clear insight into what's working — and what isn't. Urban Science's [Dealership Performance](#) solution suite empowers dealers to identify defections (lost sales), improve close rates and uncover what's really driving outcomes with unrivaled industry sales data, updated daily.

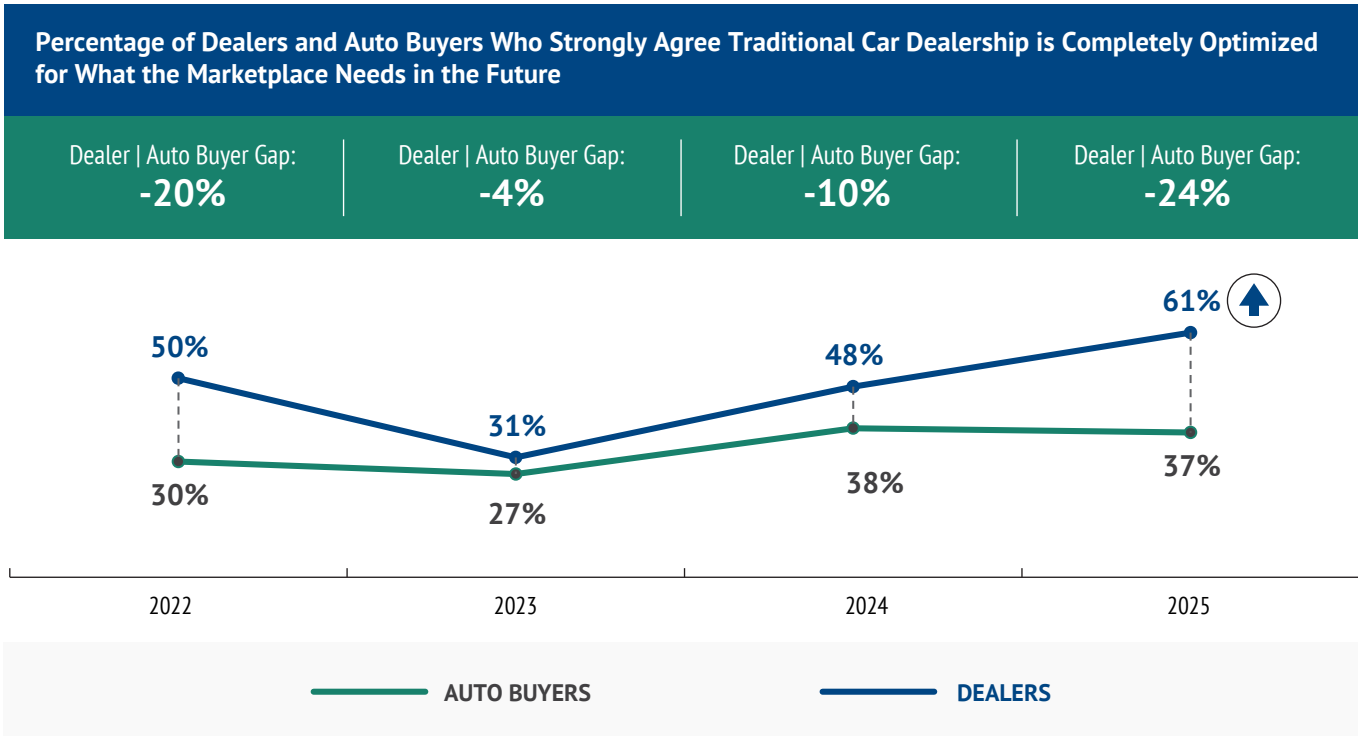


# The Dealer-Buyer Perception Gap Widens

The divide between dealer and auto-buyer perception of the traditional dealership model is growing. In 2025, nearly two-thirds (61%) of dealers strongly agreed the model was completely optimized for the marketplace of the future – a 13 percentage-point jump from 2024. In contrast, auto-buyer sentiment remained relatively flat. Just 37% of auto buyers said the traditional model was optimized for the future. This 24-point gap represents the largest recorded difference in the history of the study.

This discrepancy may be driven, at least in part, by visibility. Dealers have daily, hands-on experience with the operational upgrades happening behind the scenes, such as the integration of AI-powered tools and digital retail solutions. Auto buyers, on the other hand, may only interact with dealerships once every few years. Unless these visits involve a significantly different customer experience, they may not perceive any meaningful change.

## PERCEPTION GAP OF THE TRADITIONAL DEALERSHIP MODEL



# Dealers Are Bracing for DTC. But Are Auto Buyers on Board?

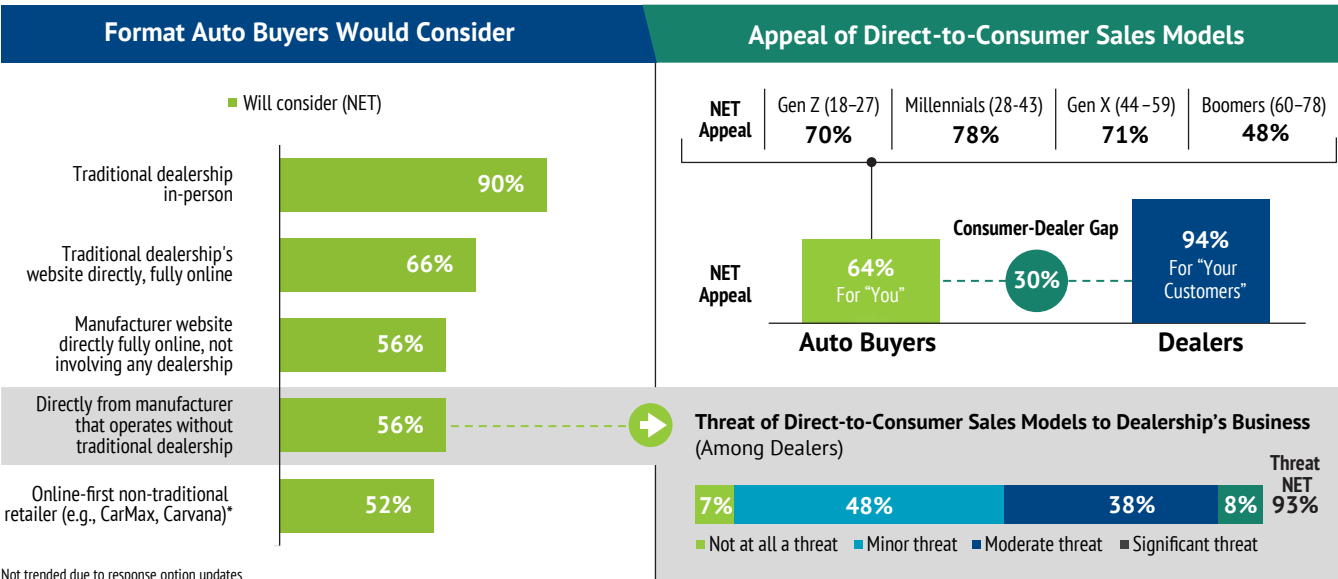
Despite their confidence in the traditional dealership model, 93% of dealers see the direct-to-consumer (DTC) model as a competitive threat. Yet, the data suggests that in-person still holds a significant lead. Nine in 10 (90%) auto buyers said they would consider purchasing from a traditional dealership, compared to 52% who would be open to buying from an online-first retailer like CarMax or Carvana.

While 94% of dealers think the DTC model appeals to auto buyers, only 64% of auto buyers agree. Notably, Gen Z seems to be shifting back toward a preference for in-person experiences: 70% reported the DTC model

was attractive to them, versus 78% of millennials. For auto buyers, a vehicle represents a major purchase. Most consumers wouldn't buy a house sight unseen, and the same holds true for cars. Indeed, auto buyers indicated their top concern with the DTC model is the inability to test drive, while the biggest draw is transparent, upfront pricing.

Meanwhile, dealers are adapting to maintain their competitive edge. To compete with DTC retailers, they are considering expanding post-purchasing services to drive loyalty, improving online capabilities and strengthening customer relationships.

## FORMATS AUTO BUYERS WOULD CONSIDER, PERCEIVED APPEAL OF THE DTC SALES MODEL AND PERCEIVED THREAT OF THE DTC SALES MODEL



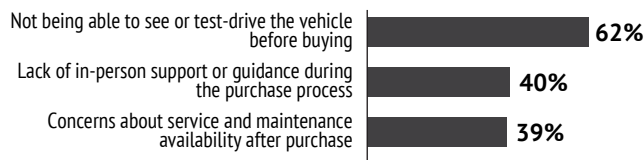
### THE TAKEAWAY?

**Omnichannel is essential.** Auto buyers may begin their purchase journey online by researching, comparing prices and even customizing vehicles. But they still want to finalize that purchase in person, especially for high-stakes moments like the test drive.

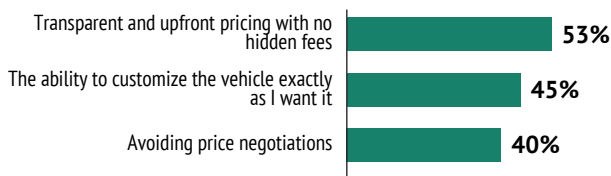
The challenge for dealers will be to make that transition as seamless as possible, integrating online tools with in-store systems so auto buyers don't have to start from scratch when they walk through the door.

## TOP CONCERNS AND MOST APPEALING ASPECTS OF THE DTC MODEL AMONG AUTO BUYERS

### Top Three Concerns or Drawbacks of Direct-to-Consumer Process Among Auto Buyers



### Top Three Most Appealing Aspects of Direct-to-Consumer Process Among Auto Buyers



"The dealers who over perform in this market will be those who treat every sales interaction as a chance to refine their processes and customer experience. When shoppers defect (to same-or competitive-brand stores), there's an opportunity to learn from losses and use daily defection data to deliver messages that resonate — whether it's a service offer, a loyalty incentive or a broader brand awareness play."

— ERIC DEMONT, GLOBAL PRODUCT DIRECTOR



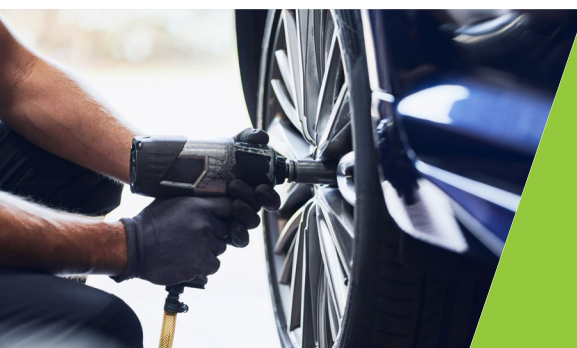
## AS DTC OPTIONS GROW, DEALERS FIGHT BACK WITH POST-PURCHASE PERKS TO DRIVE LOYALTY AND DIGITAL / ONLINE SALES EXPANSION



### Biggest Challenges Posed By Direct-to-Consumer Sales Models, According to Dealers



### Strategies Dealers Are Considering to Compete with Direct-to-Consumer Sales Models



## Solution Spotlight

With dealers placing increased emphasis on post-purchase strategies and stronger customer relationships, service is becoming the ultimate differentiator. Urban Science's [Aftersales Performance](#) solution suite helps OEMs identify service opportunities and increase retention, delivering consistent experiences that turn one-time auto buyers into loyal customers.





# Dealers Push Forward on EVs, While Auto Buyers Hang Back

Despite looming policy shifts, dealers remain bullish on electric vehicles (EVs). A strong majority of dealers (78%) indicated they will be increasing their focus on selling EVs, and they expect customer interest to continue to grow, too. Dealer insights validate this sentiment. In 2024, two-thirds of dealers reported increased sales revenue from EVs over the past five years. In 2025, this figure climbed to 87%.

However, these optimistic findings are somewhat tempered by auto-buyer attitudes. While 91% of dealers said they thought auto buyers would be ready for EV-only options by 2040, only 47% of auto buyers agreed – and 48% said they weren't sure or would never be ready. Top concerns around EVs among auto buyers include range, time to charge, affordability, the need to install an at-home charger and the availability of public charging stations.

Added to these anxieties are the implications of federal-level decisions. In Urban Science's follow-up

survey, conducted in May 2025, one-third (32%) of auto buyers said they were less likely to purchase an EV in the wake of the recent presidential election.

Dealer confidence in EVs likely stems from the continued push by manufacturers to expand all-electric lineups and honor long-standing electrification targets. With vehicles already in production or on lots, dealers are more likely to focus on moving inventory and aligning with original equipment manufacturer (OEM) direction than reacting to short-term policy signals.

For now, hybrid models offer a middle ground between automaker EV commitments and consumer caution. Close to four in 10 auto buyers said they thought hybrids were a better option at present and should be prioritized until challenges with EVs are resolved. In contrast, only 16% expressed confidence that EVs currently meet their needs.

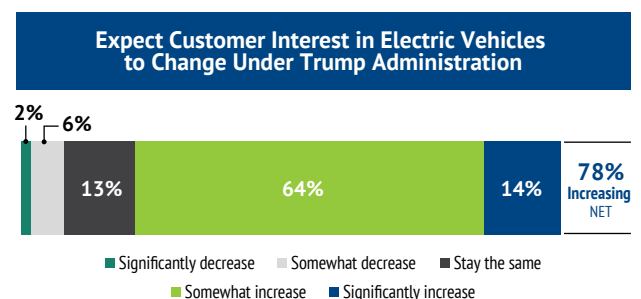
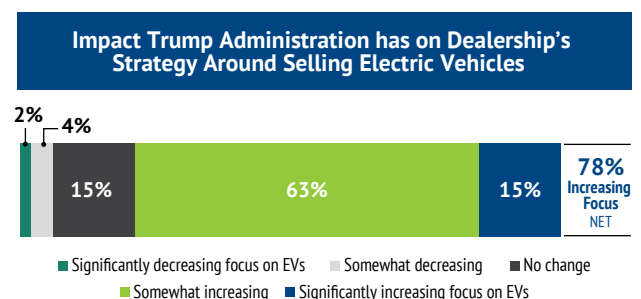
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“Who's shopping for an EV right now? With more affordable, long-range models slated to hit the market, the EV buyer profile is shifting quickly. For dealers, manufacturers and agencies, that means rethinking audience parameters as the market evolves and making sure sales and marketing strategies keep pace with who's actually buying, not who used to be.”

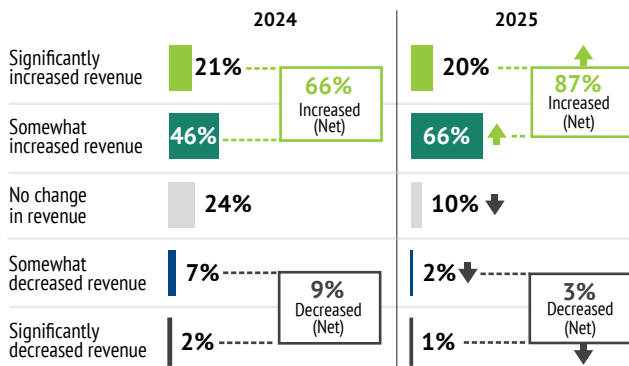
– CARL MATTER, DIRECTOR OF ADTECH PERFORMANCE

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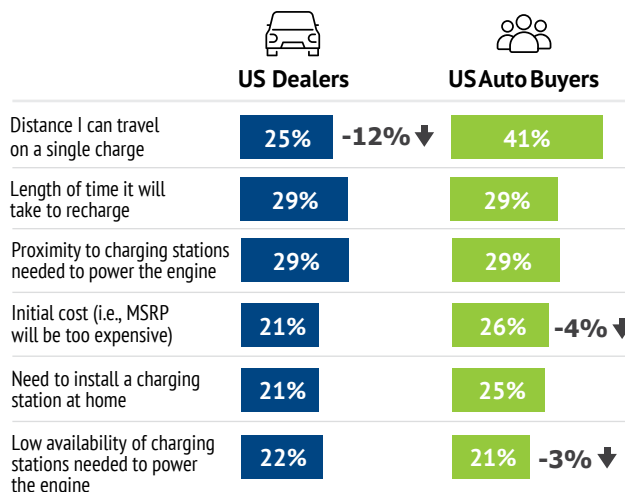
## DEALERS' PLANS TO INCREASE FOCUS ON EV STRATEGY AND ANTICIPATED CUSTOMER INTEREST



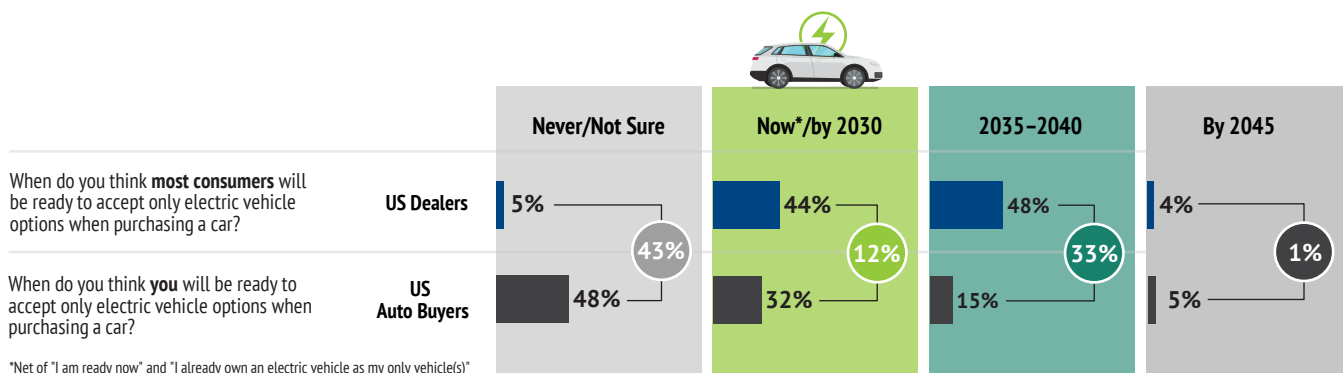
## IMPACT OF EVS ON SALES AND REVENUE IN THE PAST FIVE YEARS, ACCORDING TO DEALERS



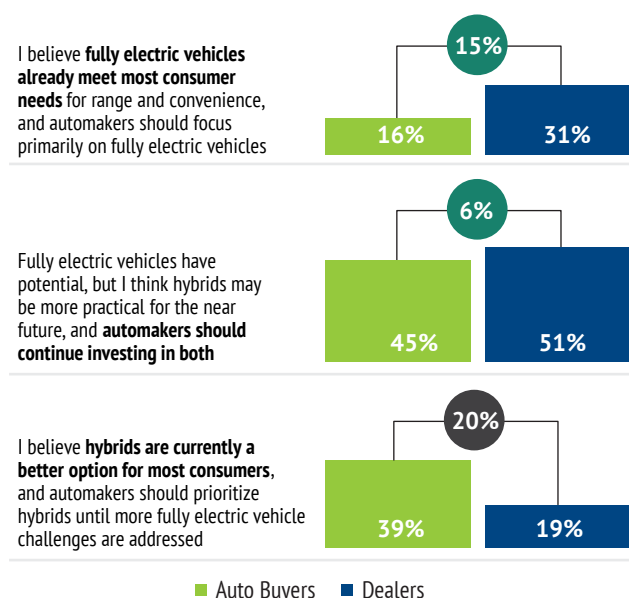
## TOP CONCERNS AROUND EVS AMONG U.S. DEALERS AND AUTO BUYERS



## READINESS TO ACCEPT ONLY ELECTRIC VEHICLE OPTIONS WHEN PURCHASING A CAR



## AUTO-BUYER AND DEALER PERCEPTIONS OF FULLY ELECTRIC VEHICLES VERSUS HYBRIDS



## Solution Spotlight

Evolving buyer behavior calls for responsive, data-backed advertising targeting strategies. Urban Science's [Media Performance](#) solution suite targets real buyers up to 25 times more likely to purchase in the next 90 days, and allows automotive marketers to suppress those who have already purchased. Through the predictive power of daily sales data, Urban Science empowers marketers to deploy and optimize adaptive strategies, like repositioning EVs from high-tech luxury offerings to a practical, accessible product for the mass market.



# Dealers Are AI Enthusiasts. Auto Buyers Have Mixed Feelings.

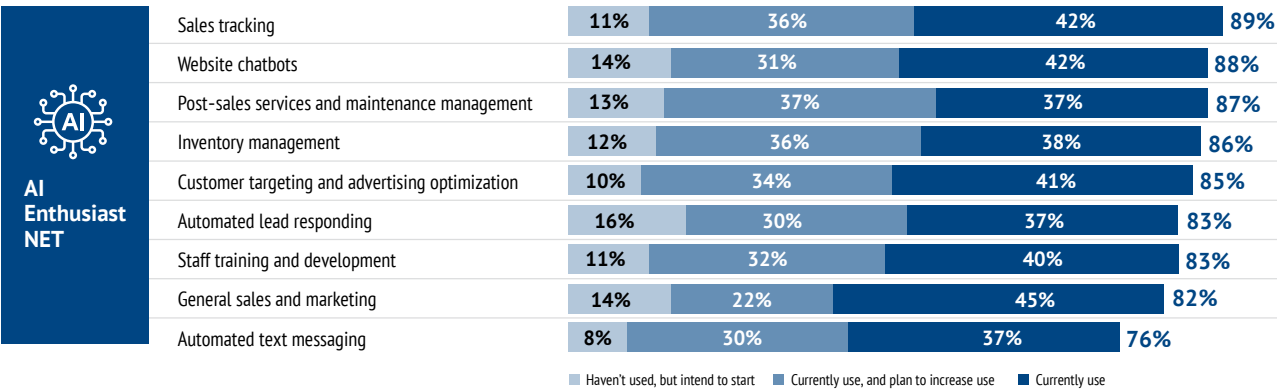
Artificial intelligence (AI) is gaining traction across dealership operations, even as auto buyers grow more skeptical. Nearly 90% of dealers either already use or plan to implement the technology. Adoption is highest in areas such as sales tracking, post-sales services, inventory management, customer targeting and conversational tools like website chatbots. Dealers cite benefits such as better customer engagement and increased revenue, with 51% saying AI has contributed to higher sales.

However, AI comes with challenges. Among their top concerns, dealers reported unease about data privacy

and security (53%) and difficulties integrating AI with existing systems (51%).

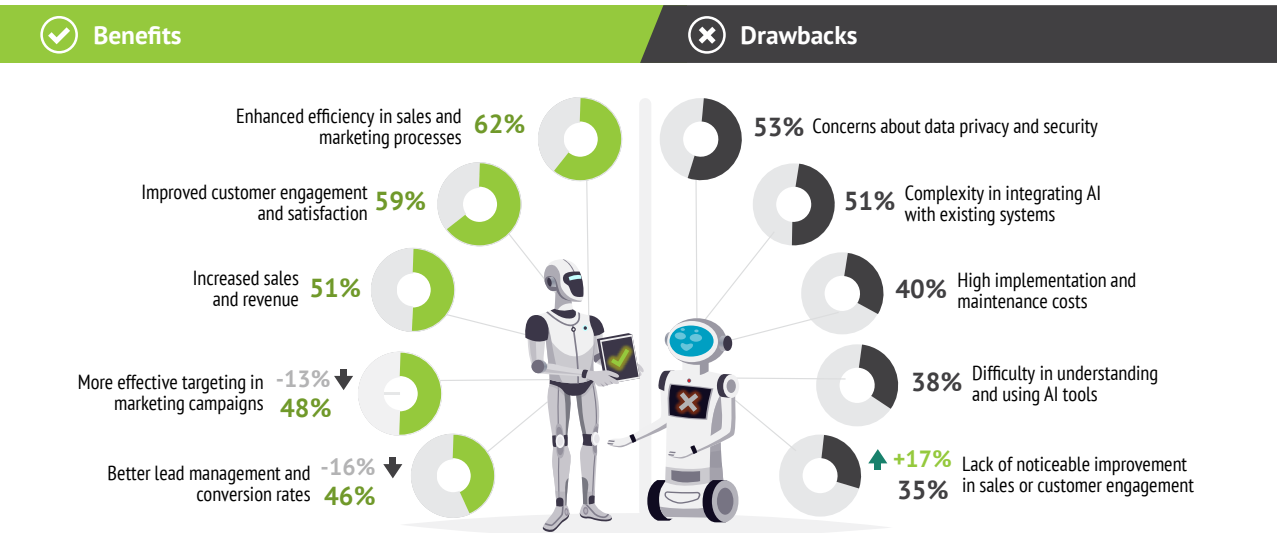
On the auto buyer side, awareness of AI's involvement in the shopping process is fairly high, but positive sentiment has declined sharply year over year. In 2025, auto buyers are less likely to view AI as having a positive impact on key steps in the purchase journey, such as comparative shopping, initial research and vehicle configuration. Rising concerns about misinformation and a lack of transparency may be contributing to increased hesitation and a dip in consumer trust.

## DEALERSHIPS CURRENTLY USING, OR INTENDING TO START USING, AI



## PERCEIVED BENEFITS AND DRAWBACKS OF USING AI AMONG DEALERS

What benefits/drawbacks has your dealership experienced from AI in sales and marketing?



# Data Trust Hinges on Transparency

Auto buyers may be wary of AI, but most say they're willing to share their data – if there's a clear value exchange. More than two-thirds (69%) are happy to complete online forms to request information from a dealership, and 81% are open to sharing information to access discounts or promotions



## THE KEY? COMMUNICATION.

Consumers want transparency around what data is captured, assurance that their data is secure and the ability to opt in and out of data collection.



"AI is here to make the auto-buying process more efficient and responsive, but it's not a substitute for human connection – the foundation for trust in the sales process. The real value lies in using AI to support salespeople, freeing them up to focus on what really matters: creating meaningful, lasting relationships with customers."

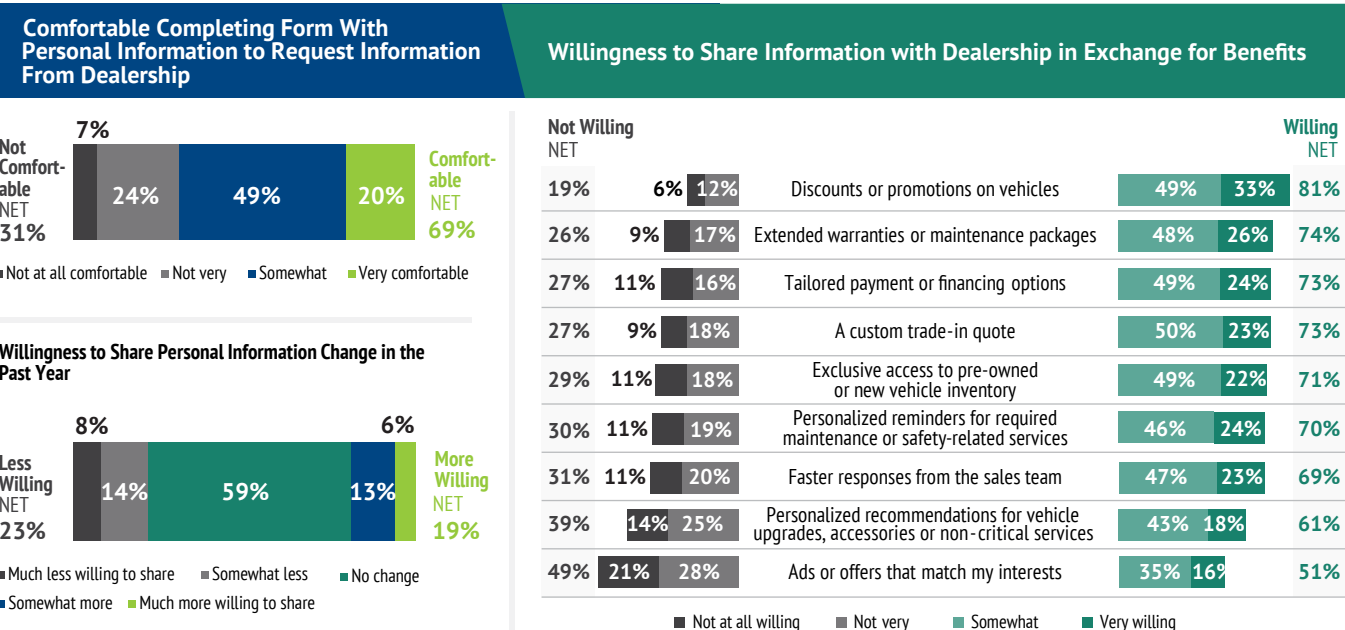
– DAVE KARASICK, DEALER BUSINESS DEVELOPMENT MANAGER



## Solution Spotlight

In an industry defined by constant change and a business environment that demands OEM-dealer alignment and flexibility, static business plans and error-prone Excel spreadsheets are no longer sufficient. Urban Science's new [FinancialView™](#) business planning offering is a powerful web-based financial analysis tool. It allows OEMs and dealers to confidently plan for – and adapt to – evolving market dynamics, driving enhanced efficiency and profitability.

### AUTO-BUYER COMFORT WITH FILLING OUT FORMS TO REQUEST INFORMATION, AND WILLINGNESS TO SHARE INFORMATION IN EXCHANGE FOR BENEFITS



# Pulse Check: Has Policy Changed Perception?

The Urban Science Harris Poll study was conducted in early 2025. Dealer data collection occurred between January 9 and 30, while the auto buyer survey was fielded between January 10 and February 4. As such, the survey captures sentiment in the period running up to – and immediately following – the inauguration of President Trump.

Since then, topics like tariffs and the elimination of electric vehicle (EV) incentives have shifted from political talking points to tangible realities. To understand how this evolution is impacting auto-buyer perspectives, Urban Science commissioned an omnibus survey between May 8 and 12, 2025. This follow-up study surveyed 1,844 U.S. auto buyers who currently own or lease a vehicle or plan to do so in the next 12 months. The results offer a clearer view of how economic and political developments are starting to reshape auto-buyer priorities.

## Tariffs Hit Home for Auto Buyers

Affordability remains a top concern among auto buyers, but its influence may be waning. In just a few months, the number of auto buyers who ranked it as their biggest concern dropped from 64% to 56%. This indicates that,

while affordability remains a priority, it could be giving way to a more complex set of purchase drivers.

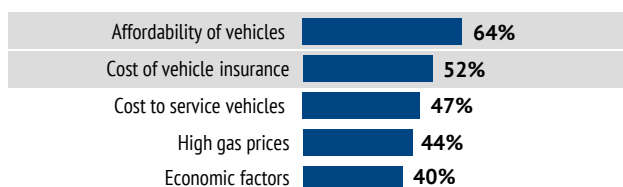
In particular, tariffs are weighing more heavily on auto buyers. Almost all (95%) of U.S. auto buyers have at least heard of the Trump administration's new auto tariffs, and three in five believe they will have a negative impact on the auto industry. This stance is particularly pronounced among liberal-leaning auto buyers.

These anxieties are already translating over to consumer behavior. One in three auto buyers said they are now less likely to consider an EV, citing the recent presidential election and the return of the Trump administration. Baby boomers seem especially sensitive to these changes, with 29% saying they are significantly less inclined to purchase an EV.

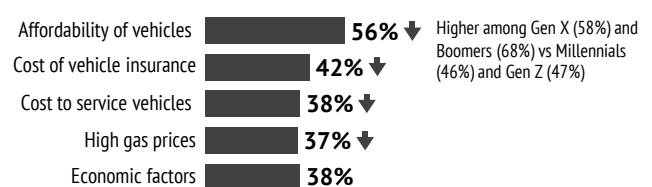
More broadly, two-thirds (67%) of auto buyers said that recent automotive tariffs have influenced their vehicle decisions. The most frequently reported change is a stronger preference for brands that manufacture vehicles in the U.S., particularly among Republican auto buyers. Auto buyers also cited rising vehicle prices (22%), delayed purchases (21%) and increased service costs (20%) as notable impacts.

### AFFORDABILITY REMAINS THE TOP PURCHASE CONCERN, BUT IT HAS SOFTENED SIGNIFICANTLY

#### ORIGINAL STUDY: Auto Buyers' Biggest Vehicle Purchasing/Leasing Concerns



#### FOLLOW-UP STUDY: Auto Buyers' Biggest Vehicle Purchasing/Leasing Concerns



"Tariffs and policy shifts are no longer just abstract concerns. From delaying purchases to switching brands, we're seeing auto buyers recalibrate in real-time. For OEMs and dealers, tracking how macro factors, like regulatory changes, influence purchase behavior on a daily basis will be key to staying competitive in a market where the rules are rapidly evolving."

– TOM KONDRAT, GLOBAL LEAD, ADVANCED ANALYTICS

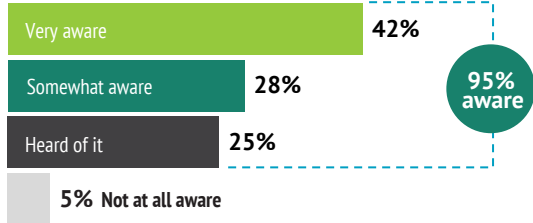




## AUTO-BUYER AWARENESS OF TARIFFS

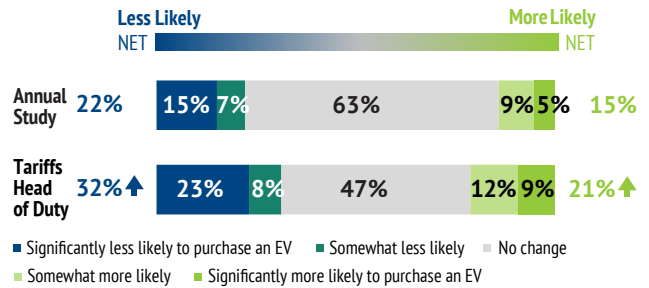
### Awareness of Recent Automotive Tariffs Introduced by Trump Administration

- Higher among Gen X (44%) and Boomers (51%) vs Millennials (35%) and Gen Z (33%)
- Higher among Democrats (50%) vs Independents (36%) and Republicans (36%)



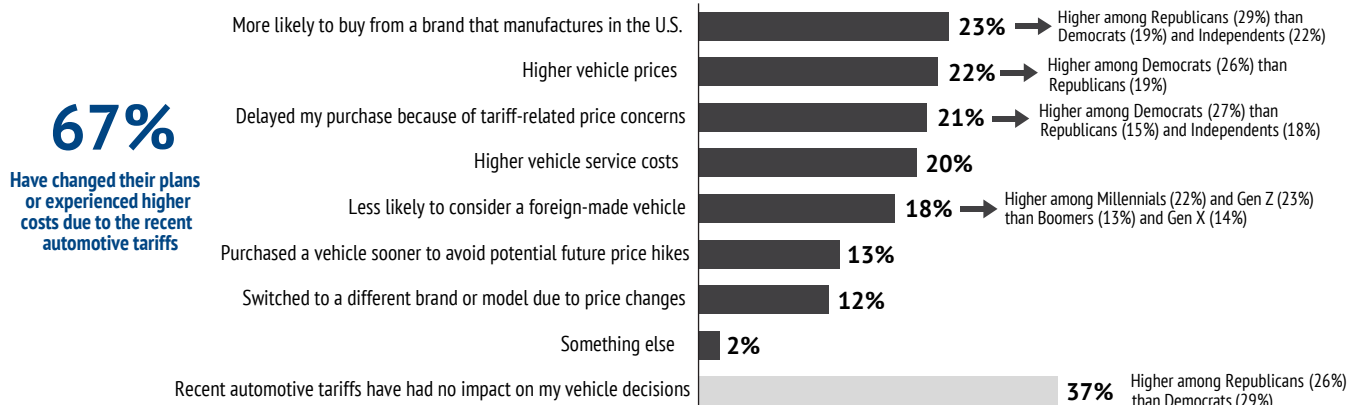
## AUTO-BUYER EV INTENT IN LIGHT OF TRUMP ADMINISTRATION

### Decision to Purchase an EV Changed in Light of Returning Trump Administration



## INFLUENCE OF TARIFFS ON AUTO-BUYER DECISIONS

### Experiences or Consequences of Automotive Tariffs



## Solution Spotlight

With EV demand evolving quickly, clarity on what's next is critical. Urban Science's EV sales forecasting offering, available via the [MarketView™](#) EV dashboard, allows automakers to anticipate (EV) demand up to 10 years out. With quarterly updates of industry-wide EV sales data and detailed local-level insights, OEMs and dealers can optimize EV allocation and align marketing efforts to real market opportunity.

# Unlock Your Breakthrough Potential With Urban Science

Interested in learning more about how this data and approach to analytics could benefit your automotive organization? Get in touch today!

[Contact Urban Science](#)



URBAN SCIENCE®

## About Urban Science

Urban Science is a leading automotive consultancy and technology firm that serves automotive original equipment manufacturers (OEMs) and dealers, and AdTech companies that support them, around the world. Headquartered in Detroit and operating in 20 office locations globally, Urban Science taps the power of its science – and its unrivaled data, solution offerings and industry expertise – to create clarity and business certainty for clients in even the most chaotic market conditions.

Visit [UrbanScience.com](https://UrbanScience.com) for more information about how Urban Science helps the automotive industry gain a competitive edge by taking the guesswork out of critical business decisions. This in turn, drives improved efficiency and profitability industrywide.



**The Harris Poll**

Harris Insights & Analytics LLC, A Stagwell Company

## About The Harris Poll

The Harris Poll is one of the longest-running surveys in the U.S., tracking public opinion, motivations and social sentiment since 1963. It is now part of Harris Insights & Analytics, a global consulting and market research firm that strives to reveal the authentic values of modern society to inspire leaders to create a better tomorrow. We work with clients in three primary areas: building 21st Century corporate reputation, crafting brand strategy and performance tracking, and earning organic media through public relations research. Our mission is to provide insights and advisory to help leaders make the best decisions possible.

### Method Statement:

This survey was conducted online by The Harris Poll on behalf of Urban Science among 3,026 US adults aged 18+ who currently own or lease or plan to purchase or lease a new or used vehicle in the next 12 months (referred to in this report as "auto-buyers" or "auto-buying public") and 254 U.S. OEM automotive dealers, whose titles were Sales Manager, General Manager or Principal/VP/Owner.

The auto-buying public surveys were conducted from January 10 to February 4, 2025. Data are weighted where necessary by demographics to bring them in line with their actual proportions in the population. The dealer survey was conducted January 9 to January 30, 2025. Data were weighted as needed based on the average of current and previous waves for gender, car types sold, job title, and urbanicity.

The sampling precision of Harris online polls is measured by using a Bayesian credible interval. For this study, the sample data is accurate to within  $\pm 2.2$  percentage points for US auto-buyers and  $\pm 7.1$  for U.S. OEM automotive dealers using a 95% confidence level.

For complete survey methodology, including weighting variables and subgroup sample sizes, please contact Amy Bowering ([arbowering@urbanscience.com](mailto:arbowering@urbanscience.com)).



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